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Bonds News

Wolfowitz faces "hardest job in the world" at World Bank

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By Lesley Wroughton

WASHINGTON, May 31 (Reuters) - Paul Wolfowitz swaps his warrior's mantle for a global development hat on June 1 when he formally takes over a job some are calling "the hardest in the world" -- president of the World Bank.

The former U.S. deputy defense secretary has spent the last few weeks meeting with member nations, staff and critics and weighing the best route to winning the war on global poverty.

Using charm and knowledge of world affairs gained as the Pentagon's No. 2 official, Wolfowitz appeared to disarm even some of his fiercest critics, still skeptical about his role as the Bush administration's architect of the Iraq war.

"I was pleasantly surprised," said Mohammad Akhter, chief executive officer of InterAction, an alliance of 160 U.S.-based development and humanitarian non-profits, who met with Wolfowitz on Friday. "The World Bank is in good hands."

While Wolfowitz has done more listening than talking so far, what he says in the months ahead will be crucial to gaining the confidence of staff.

Experts say he will have to quickly show psychological distance from the White House and to corral the bank's member governments to make changes that would improve the bank's credibility, legitimacy and effectiveness.

"Mr Wolfowitz is in an unusually good position, clearly being someone who commands loyalty with the Bush administration to take leadership," said Nancy Birdsall, who heads the Washington-based Center for Global Development.

But while Wolfowitz will be pushed to improve the bank's management, Birdsall's outfit points to a more complex set of challenges in a report entitled: "The hardest job in the World: Five crucial tasks for the new president of the World Bank".

The report says Wolfowitz's biggest challenge will be to provide global leadership in the anti-poverty fight and to withstand pressures from its wealthy shareholders.

The report argues Wolfowitz will have to revitalize the lender's role in middle-income countries; support an expanded role in poor ones; improve internal evaluation of the bank's work; and push for more transparency in how the bank's president is chosen.

In the six decades since the establishment of the Bretton Woods Institutions of the World Bank and International Monetary Fund, the bank's president has been an American, while the International Monetary Fund has been led by a European.

"Paul Wolfowitz will have a honeymoon period and in that honeymoon period he has a great opportunity to ask both the U.S. and other members to think clearly how the next president will be chosen and to suggest dramatic opening up what is now a very opaque selection process," Birdsall said.

Wolfowitz has pledged to make Africa his biggest priority and will travel to the continent in June.

In comments to staff posted on the World Bank's internal Web site, Wolfowitz acknowledged a busy agenda ahead with meetings of the Group of Eight industrialized nations in July, which will focus on Africa and poor country debt relief.

"And, I must say, if five years or 10 years from now we can all look back and say 'this was the year when the whole world got on a path of sustainable development and this trend in the reduction of poverty extended beyond Asia and Latin America to encompass everyone', that would be truly satisfying," Wolfowitz said.

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